

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: SPA #03-14	2. STATE Kansas
FOR: HEALTH CARE FINANCING ADMINISTRATION		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE July 1, 2003	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.252		7. FEDERAL BUDGET IMPACT: a. FFY 2003 \$ 750,000 b. FFY 2004 \$4,350,000	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A Outline, Page iii Page 37		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-A Outline, Page iii Page 37	
10. SUBJECT OF AMENDMENT: Medical Education Payments			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT X OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Janet Schalansky is the Governor's <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL Designee			
12. SIGNATURE OF STATE AGENCY OFFICIAL: //Janet Schalansky - signature//		16. RETURN TO: Janet Schalansky, Secretary Social & Rehabilitation Services Docking State Office Building 915 SW Harrison, Room 651S Topeka, KS 66612-2210	
13. TYPED NAME: Janet Schalansky			
14. TITLE: Secretary of Social & Rehabilitation Services			
15. DATE SUBMITTED: June 9, 2003			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: JUN - 9 2003		18. DATE APPROVED: JAN 22 2004	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: JUL - 1 2003		20. SIGNATURE OF REGIONAL OFFICIAL: <i>Bill Lasowski</i>	
21. TYPED NAME: William Lasowski		22. TITLE: Acting Deputy Director, CMSO	
23. REMARKS:			

KANSAS MEDICAID STATE PLAN

Attachment 4.19-A

Page 37

Methods and Standards for Establishing Payment Rates – Inpatient Hospital Care

9.0000 Public process for proposed changes in methods and standards for establishing payment rates – inpatient hospital care. The State has in place a public process which complies with the requirements of Section 1902(a)(13)(A) of the Social Security Act.

10.0000 Medical Education Payments

Effective with discharges on and after July 1, 2003, payments will be made for medical education services related to inpatient hospital services. This payment is in addition to the standard DRG payment. This section only applies to hospitals being reimbursed using the DRG methodology. This section does not apply to hospitals being reimbursed under Section 4.0000.

The hospital specific medical education rate has two components, direct medical education (DME) rate and indirect medical education (IME) rate. These are computed as follows:

- ☐ Direct Medical Education Percent = Lesser of total direct medical education cost or aggregate approved cost divided by the total cost of the hospital. This data is from the most recent available Medicare cost report as of the start of each State fiscal year.
- ☐ Indirect Medical Education Percent = $1.52 \times ((1 + \text{ratio of full time equivalent interns and residents to hospital beds excluding nursery})^{0.405} - 1)$. This data is from the most recent available Medicare cost report as of the start of each State fiscal year.
- ☐ Hospital Specific Medical Education Rate = Medicaid hospital DRG Group rate $\times (1 + \text{DME Percent} + \text{IME Percent})$.
- ☐ Medical Education Payment Amount = Hospital Specific Medical Education Rate \times number of discharges of all Medicaid paid claims for that hospital \times hospital specific average case mix weight.
- ☐ Average case mix weight = sum of DRG weights for all Medicaid paid discharges divided by the number of all Medicaid paid discharges.
- ☐ Payments shall be made at least quarterly based upon the discharges and case mix weights determined from claims that are applicable to this section of the State Plan that have not previously been reimbursed for medical education.

KANSAS MEDICAID STATE PLAN

Attachment 4.19-A
Outline
Page iii

Methods and Standards for Establishing Payment Rates – Inpatient Hospital Care

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JAN 22 2004

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